

Summer is typically the time in the United States Congress when appropriations for the upcoming Fiscal Year are considered. However, this summer, two important policy issues have been added to our agenda: energy legislation and significant health care reform. The intensity of debate over these two matters has prompted many constituents to contact my office with their inquiries and concerns, and I would like to take this time to discuss one complex energy proposal that is receiving attention, called cap-and-trade.

Cap-and-trade involves placing a limit on greenhouse gas emissions and establishing a system for companies to buy and sell pollution “credits” on the open market. As you may know, one of these cap-and-trade bills, the American Clean Energy and Security Act, is currently being considered in Congress.

I support the goal of reducing greenhouse gas emissions, and while in Congress, have sought to be very progressive in promoting a new sustainable energy future. The rising cost of fuel is a key indicator of our vulnerability with regard to energy security, and I have prioritized increasing the use of renewable fuels to help meet several important public policy objectives, including lessening our dependence on foreign oil, creating economic opportunity for our farmers, and improving the quality of the environment.

However, I have a number of serious concerns with the approach taken in the American Clean Energy and Security Act. One of the most significant problems is that the bill forces reductions for the U.S. while other countries, including China, India, and Brazil, would have no similar restrictions. This would likely lead to a further shift in manufacturing and agricultural activities overseas, with no net reduction in greenhouse gas emissions. I believe that enactment of this legislation would put the U.S. at a serious economic disadvantage and impose significant costs on families with no assurance of corresponding environmental benefits. Some estimates are that a cap-and-trade system in the U.S. would eventually cost families between \$1,500 and \$3,000 annually. The European Union implemented a cap-and-trade system in 2005. So far, this effort has resulted in significant problems and a negligible reduction in emissions.

A recent report issued by China’s National Development and Reform Commission, which oversees that country’s climate change policy, urges developed countries to reduce their greenhouse gas emissions by at least 40 percent below 1990 levels by 2020. The report also calls on these countries to contribute 0.5 to 1.0 percent of their annual economic worth to aid climate mitigation and adaptation in developing nations. Meanwhile, China has steadfastly refused to be bound by any hard limits on its own greenhouse gas emissions. Recent statements from the Chinese government confirm that China has no intention of limiting its emissions. A report issued in 2008 by the Chinese Academy of Sciences states that China’s greenhouse gas emissions could more than double by 2020. By 2030, China’s emissions would be more than the current combined levels of every country in the world.

I believe there are more reasonable, commonsense efforts to address emissions concerns. For instance, placing more of an emphasis on conservation as well as renewable sources of energy -- such as wind, solar, geothermal, biomass, and biofuels -- would reduce emissions while

helping to build a more sustainable energy future. We must fully integrate conservation, new technologies, and a variety of renewable sources into our energy strategy, and I believe that Nebraska can lead the way in this effort. Working together internationally, perhaps these initiatives can meet the essential objective of environmental stewardship and a corresponding reduction in emissions.